

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Adelante Vista, located at 1104 S. Robinson Street in Bakersfield, requested and is being recommended for a reservation of \$2,014,397 in annual federal tax credits to finance the acquisition and rehabilitation of 141 units of housing with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by the Housing Authority of the County of Kern and will be located in Senate District 14 and Assembly District 32.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-22-601

Project Name Adelante Vista
Site Address: 1104 S. Robinson Street
 Bakersfield, CA 93307 County: Kern
Census Tract: 22.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,014,397	\$0
Recommended:	\$2,014,397	\$0

Applicant Information

Applicant: Housing Authority of the County of Kern
Contact: Stephen M. Pelz
Address: 601 24th Street
 Bakersfield, CA 93301
Phone: 661 631-8500
Email: spelz@kernha.org

General Partner(s) or Principal Owner(s): Golden Empire Affordable Housing Inc.
 Housing Authority of the County of Kern

General Partner Type: Nonprofit

Parent Company(ies): Golden Empire Affordable Housing Inc.
 Housing Authority of the County of Kern

Developer: Housing Authority of the County of Kern

Bond Issuer: Housing Authority of the County of Kern

Investor/Consultant: PNC Bank, N.A.

Management Agent: Housing Authority of the County of Kern

Project Information

Construction Type: Acquisition and Rehabilitation
 Total # Residential Buildings: 71
 Total # of Units: 142
 No. / % of Low Income Units: 141 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (141 Units - 100%)

Information

Housing Type: Non-Targeted
 Geographic Area: Central Valley Region
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	15	11%
50% AMI:	39	28%
60% AMI:	85	60%
80% AMI:	2	1%

Unit Mix

25 1-Bedroom Units
 66 2-Bedroom Units
 38 3-Bedroom Units
 13 4-Bedroom Units

 142 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6 1 Bedroom	50%	\$538
15 1 Bedroom	60%	\$611
4 1 Bedroom	30%	\$346
14 2 Bedrooms	50%	\$645
39 2 Bedrooms	60%	\$751
10 2 Bedrooms	30%	\$468
2 2 Bedrooms	80%	\$1,114
14 3 Bedrooms	50%	\$745
23 3 Bedrooms	60%	\$851
1 3 Bedrooms	30%	\$539
5 4 Bedrooms	50%	\$831
8 4 Bedrooms	60%	\$947
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$12,860,000
Construction Costs	\$0
Rehabilitation Costs	\$22,235,890
Construction Hard Cost Contingency	\$2,223,589
Soft Cost Contingency	\$200,000
Relocation	\$213,000
Architectural/Engineering	\$750,000
Const. Interest, Perm. Financing	\$1,657,000
Legal Fees	\$205,000
Reserves	\$624,000
Other Costs	\$356,793
Developer Fee	\$3,320,000
Commercial Costs	\$0
Total	\$44,645,272

Residential

Construction Cost Per Square Foot:	\$180
Per Unit Cost:	\$314,403
True Cash Per Unit Cost*:	\$213,939

Construction Financing

Source	Amount
Pacific Western Bank	\$23,000,000
Pacific Western Bank-Taxable Loan	\$400,000
Seller Carryback Loan	\$12,860,000
Housing Authority Reserve Loan	\$1,800,000
Deferred Costs	\$3,160,797
Tax Credit Equity	\$3,424,475

Permanent Financing

Source	Amount
Pacific Western Bank	\$10,100,000
Seller Carryback Loan	\$12,860,000
Housing Authority Reserve Loan	\$1,800,000
Developer Loan	\$1,200,000
Deferred Developer Fee	\$1,405,989
Solar Tax Credit Equity	\$156,910
Tax Credit Equity	\$17,122,373
TOTAL	\$44,645,272

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$30,278,075
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$12,012,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$39,361,498
Qualified Basis (Acquisition):	\$12,012,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,533,917
Maximum Annual Federal Credit, Acquisition:	\$480,480
Total Maximum Annual Federal Credit:	\$2,014,397
Approved Developer Fee in Project Cost:	\$3,320,000
Approved Developer Fee in Eligible Basis:	\$3,320,000
Investor/Consultant:	PNC Bank, N.A.
Federal Tax Credit Factor:	\$0.85000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None

Resyndication and Resyndication Transfer Event: None

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.